

CLAIMS

1. An electronic network system adapted to facilitate the detection of cost levers that affect a cost structure of a target company and compilation of appropriate cost reduction strategies for the target company, said network system comprising:

a cost lever analysis tool adapted to receive financial data inputs regarding the target company and calculate normalized diagnostic information regarding the cost structure of said target company, said diagnostic information being usable to identify various problematic cost centers and cost levers for addressing said problematic cost centers of the target company; and

a cost reduction strategy tool, said strategy tool including a business capability recommendation linking module and an overview module, said linking module correlating various business capabilities with a plurality of possible cost levers and said overview module providing information relevant to each said business capability, said relevant information being useful to the understand, assess and implement a particular capability recommendation for the target company;

wherein said cost levers identified by said cost lever analysis tool are correlated by said cost reduction strategy tool to one or more appropriate business capabilities recommended as providing at least one element of a cost reduction strategy adapted to target one or more of said identified cost levers.

2. The network system according to claim 1, wherein said relevant information is organized in an overview, and each overview may contain information types selected from the group consisting of case studies, implementation plans, integration implications, sample benefit and impact forecasts, and combinations thereof.

3. The network system according to claim 2, wherein said overviews comprise hyperlinked overview documents.

4. The network system according to claim 3, wherein said overview documents can be cross-linked to associated overviews for related or similar business capabilities.

5. The network system according to claim 2, wherein a plurality of case studies are correlated with each business capability.

6. The network system according to claim 5, wherein at least one business capability overview for a particular business capability contains case studies derived from more than one industry.

7. The network system according to claim 1, wherein said cost reduction strategy tool can produce business capability implementation plan template for the target company concerning a selected business capability recommendation upon a user selecting said recommendation.

8. The network system according to claim 7, wherein said business capability implementation plan template can include implementation information useful for the target company in applying a recommended business capability.

9. The network system according to claim 8, wherein said implementation information is of types selected from the group

consisting of economic impacts, strategy goal summaries, expected implementation schedules and plans, projected cost considerations, and projecting key benefits.

10. The network system according to claim 1, wherein said cost lever analysis tool comprises a module for calculating a total return to shareholders using a calculated return on invested capital, a calculated the weighted average cost of capital, a calculated organic growth, and a calculated merger and acquisition growth.

11. The network system according to claim 1, wherein said cost lever analysis tool is adapted to produce reports summarizing metric and diagnostic ratios relevant to identifying cost drivers and cost levers in the target company.

12. The network system according to claim 11, wherein said reports include charts or diagrams comparing said metrics or said diagnostic ratios to baseline industry information.

13. The network system according to claim 12, wherein said baseline industry information comprises values of said metrics

or diagnostic ratios pertaining to industry competitors of said target company.

14. The network system according to claim 12, wherein said reports include shareholder return graphs, said shareholder return graphs comparing a growth compound annual growth rate to a spread for the target company and industry peers of said target company.

15. The network system according to claim 1, wherein said tools are located on a server electronically accessible by remote users.

16. A computer storage medium encoded with instructions embodying a computer program, the computer program adapted to perform operations to facilitate the detection of cost levers that affect a cost structure of a target company and compilation of appropriate cost reduction strategies for the target company, said operations comprising:

receiving financial data regarding the target company;

performing financial calculations on said financial data to produce normalized diagnostic information regarding the cost structure of said target company;

reporting said diagnostic information for review by a user and identification of one or more problematic cost centers of the target company and one or more cost levers for addressing said problematic cost centers of the target company;

correlating a plurality business capabilities with a plurality of possible cost levers, said business capabilities comprising cost saving measures that can be incorporated into cost reduction plans for suitable target companies, and each said business capability being correlated with one or more of said possible cost levers, wherein a particular correlated business capability is recommended as producing cost reduction benefits through linked cost levers to which said particular correlated business capability is correlated;

providing information relevant to each said business capability, said relevant information being useful to understand, assess and implement a particular capability recommendation for the target company.

17. The computer storage medium according to claim 16, further comprising producing a business capability implementation plan template for the target company concerning a selected business capability recommendation upon a user selecting said recommendation.

18. The computer storage medium according to claim 17, wherein said business capability implementation plan template can include implementation information useful for the target company in applying a recommended business capability.

19. The computer storage medium according to claim 18, wherein said implementation information is of types selected from the group consisting of economic impacts, strategy goal summaries, expected implementation schedules and plans, projected cost considerations, and projecting key benefits.

20. The computer storage medium according to claim 16, wherein said relevant information is organized in an overview for each business capability, each overview containing information types selected from the group consisting of case

studies, implementation plans, integration implications, sample benefit and impact forecasts, and combinations thereof.

21. The computer storage medium according to claim 20, wherein said overviews comprise hyperlinked overview documents.

22. The computer storage medium according to claim 21, wherein said overview documents can be cross-linked to associated overviews for related or similar business capabilities.

23. The computer storage medium according to claim 20, wherein a plurality of case studies are correlated with each business capability.

24. The computer storage medium according to claim 23, wherein at least one business capability overview for a particular business capability contains case studies derived from more than one industry.

25. The computer storage medium according to claim 16, wherein said performing of said financial calculations comprises



calculating a total return to shareholders using a calculated return on invested capital metric, calculating a weighted average cost of capital metric, calculating organic growth metric, and calculating a merger and acquisition growth metric.

26. The computer storage medium according to claim 16, wherein said reporting of said diagnostic information comprises outputting reports summarizing metric and diagnostic ratios relevant to identifying cost drivers and cost levers in the target company.

27. The computer storage medium according to claim 26, wherein said reports include charts or diagrams comparing said metrics or said diagnostic ratios to baseline industry information.

28. The computer storage medium according to claim 27, wherein said baseline industry information comprises values of said metrics or diagnostic ratios pertaining to industry competitors of said target company.

29. The computer storage medium according to claim 27, wherein said reports include shareholder return graphs, said shareholder return graphs comparing a growth compound annual growth rate to a spread for the target company and industry peers of said target company.

30. The computer storage medium according to claim 16, wherein said computer storage medium is located on a network accessible to users to perform the operations, and wherein said financial data is received electronically by said network from a remote electronic financial data repository.